PALM BEACH COUNTY

BOARD of COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: **8/16/2016**

[X] Consent   [   ] Regular
[   ] Public Hearing

Department:

Submitted By: _____County Internal Auditor's Office_____

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to receive and file:

  A.   Audit reports reviewed by the Audit Committee at its June 15, 2016 meeting as follows:
     1.   2016-08 Engineering & Public Works - *Procurement to Payment* (16-02)
     2.   2016-09 Community Services - *Procurement to Payment* (16-01)
     3.   2016-10 Purchasing - *Procurement to Payment* (15-15)
  B.   Audit recommendation status follow-up report as of March 31, 2016 reviewed by the Audit Committee at its June 15, 2016 meeting.

Summary: Ordinance 2012-011 requires the Internal Audit Committee to review audit reports prior to issuance. Ordinance 2012-012 requires the County Internal Auditor to send those reports to the Board of County Commissioners. At its meeting on June 15, 2016, the Committee reviewed and authorized distribution of the attached audit reports. The Committee also reviewed and authorized distribution of the Audit Recommendation Status Follow-up Report as of March 31, 2016. We are submitting these reports to the Board of County Commissioners as required by the Ordinance. Countywide (PFK)

Background and Policy Issues: At its June 15, 2016 meeting, the Internal Audit Committee reviewed and authorized distribution of audit reports 2016-08 through 2016-10 and the Audit Recommendation Status Follow-up Report as of March 31, 2016.

Attachments:

Audit reports as identified above
Audit recommendation status follow-up report as of March 31, 2016

Recommended by: _Joseph T Bergeron_____   _7.8.16_____
                                    County Internal Auditor   Date

Recommended by: _____   _7/19/16____
                                    County Administrator   Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2016	2017	2018	2019	2020
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT ✳	None				
# ADDITIONAL FTE					
POSITIONS (Cumulative)					

Is Item Included In Current Budget?   Yes ____   No

Budget Account No.:   Fund ____   Agency ____   Org. _____   Object ____

Program Number _____   Revenue Source _____
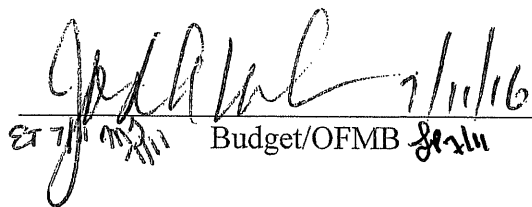
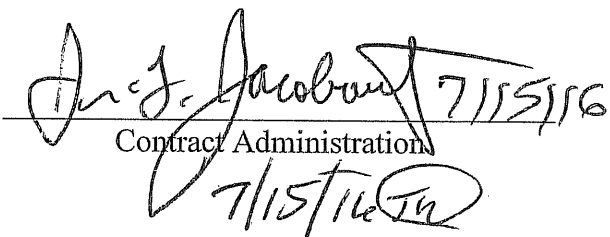### B. Recommended Sources of Funds/Summary of Fiscal Impact:

✳ No fiscal impact

A.   Department Fiscal Review:

_____

III. REVIEW COMMENTS:

A.   OFMB Fiscal and/or Contract Administration Comments:

_____ 7/11/16   _____ 7/15/16
Budget/OFMB   Contract Administration
                                   7/15/16

B.   Legal Sufficiency:

_____ 7/18/16
Assistant County Attorney

C.   Other Department Review:

_____
Department Director

This summary is not to be used as a basis for payment.

Office of the County Internal Auditor
Audit Report #2016-08

Engineering & Public Works

Procurement to Payment

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Engineering and Public Works Director ensure that the internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements for Fiscal Years 2015?

WHAT WE FOUND

The Engineering & Public Works Director ensured that internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements for Fiscal Year 2015.

There were no adverse findings.

In addition, during the course of fieldwork we noted certain situations that did not rise to the level of findings that we felt should be communicated to management. A management letter was issued to the Engineering & Public Works Director identifying these situations for informational purposes only.

WHAT WE RECOMMEND

The audit report makes no recommendations to improve controls over the procurement to payment process.

DETAILED FINDING AND RECOMMENDATIONS

None

BACKGROUND

Engineering and Public Works Department (Department) provides the citizens of Palm Beach County with a high quality and aesthetically pleasing system of roads, bridges, and pathways made safe and easily accessible by employing appropriate design standards and traffic control; by ensuring development conformance to the engineering standards of the Unified Land Development Code and providing engineering assistance in the zoning process; by assisting in mitigating beach erosion by the operation of sand transfer facilities; and providing effective drainage facilities in County rights-of-way.

The department has six divisions: Administrative Services, Construction Coordination, Land Development, Road and Bridge, Roadway Production, Traffic Division and one section, Streetscape Section. For the fiscal year 2015, the Department had 424 positions

and an adopted annual operating budget of $56,898,884, which included $29.3 million for Personal Services, and $22.9 million for Expenses.

The majority of the procurement functions are the responsibility of the Administrative Services Division. However, the purchasing activity is not centralized, as the six divisions and one section's staff validate and submit purchase orders and receivers in the Advantage Financial System (Advantage System). The staff of the Administrative Service Division acts as a resource for the other divisions who process specific types of documentation.

The Department's procurements can be categorized as: purchase orders, and contracts and other payments. The chart below illustrates the Department's Procurements for Fiscal Year 2015:

FY 2015 (October 1,2014-September 21,2015)		
Procurements		
TYPE	**AMOUNT**	**TRANSACTIONS**
Purchase Orders	$ 3,926,084	1,915
Contracts & Other Payments	$ 767,666	922
Total	**$4,693,750**	**2,837**

AUDIT SCOPE AND METHODOLOGY

This audit was selected as part of the 2015 business process annual audit plan approved by the Audit Committee. The audit scope included a review of internal controls in place to ensure that the Department's procurement to payment activities were carried out in accordance with Countywide and departmental policies and procedures for Fiscal Years 2015.

For our audit objective, our initial planning included interviews with departmental management and staff concerning the risk factors, review of departmental policies and procedures, the County Budget Book for fiscal year 2015, and other pertinent documentation. Our detail review methodology included the review and testing of the requisitioning, purchasing, receiving and payment processes and transactions using analytical procedures applied to samples for the audit period. We reviewed backup documentation as well as data from the Advantage Financial System related to the procurement to payment transactions.

For the procurement sample, 60 transactions (3%) valued at $535,509 (14%) were selected from a population of 1,915 transactions valued at $3,926,083 from six divisions and one section. For the contracts and other payments sample, 46 transactions (5%) valued at $66,235.95 (9%) were selected from a population of 922 transactions valued $767,666. A ratio computation was performed to obtain a proportional representation from each division's total transactions. The sample transactions were selected from within each division. The detail lists within each division were reviewed in an effort to cover as many different vendors as possible.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively,

efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
March 31, 2016
W/P # 2016-02

Attachment 1
Business Process Objectives and Controls Worksheet
Procurement to Payment Process

This process covers all activities from original identification of the need for a good or service, the development of specifications, solicitation of providers, award to a provider, receipt of the good or service, evaluation of the provider, and payment for the good or service.

Objectives
1. Comply with County, State and Federal procurement regulations
2. Identify and qualify vendors capable of meeting the County's needs
3. Develop appropriate, well defined specifications for goods or services
4. Order items that meet specifications from qualified vendors
5. Determine appropriate solicitation method
6. Maintain vendor information accurately and timely
7. Procurements are appropriately authorized by department requesting
8. Order appropriate quantities at appropriate times
9. Goods or services received comply with purchase orders
10. Purchase orders payments made based on actual goods or services received at approved prices
11. Evaluate vendor performance on a timely and accurate basis
12. Ensure timely delivery
13. Direct payment are appropriately authorized by department requesting

Office of the County Internal Auditor
Audit Report #2016-09

Community Services

Procurement to Payment

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Community Service Department (CSD) Director ensure that internal controls designed and implemented for the procurement to payment processes were adequate to ensure a compliant and effective process for Fiscal Year 2015 (October 1, 2014 through September 30, 2015) in accordance to County and Departmental Purchasing Policies?

WHAT WE FOUND

Except for the findings and recommendations described below, the Community Service Department Director designed and implemented internal controls for the procurement to payment process to ensure a compliant and effective process in accordance with Countywide policies and procedures for Fiscal Year 2015 (October 2014 to September 2015). The findings address improvements in system audit trails, user access and authorities in IT systems, contract approval timing, petty cash, and documentation of processes and receipts for receiving functions.

In addition, during the course of fieldwork we noted certain situations that did not rise to the level of findings that we felt should be communicated to management. A management letter was issued to the Community Services Department Director identifying these situations for informational purposes only.

WHAT WE RECOMMEND

The audit report makes nine recommendations to improve controls over the procurement to payment process. The recommendations address improvements in system audit trails, user access and authorities in IT systems, contract approval timing, petty cash, and documentation of processes and receipts for receiving functions.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1. STARS Authorization for Procurement Contains Control Weaknesses

The Senior Tracking and Referral System (STARS) training manual states that the start dates for previously active clients are not to be updated.

Changes to Critical Data Fields

The STARS database is the application system that gives CSD the method to authorize vendors to provide services to clients. For Fiscal Year 2015, $4.3 million in services were authorized through STARS. We examined the application access accounts of the STARS database. We discovered the electronic start date for services authorization given to the vendors could be changed after initial approval. The start date is the authorized first day in which vendors can provide client services. The risk is that the historical start date can be manipulated and adversely affect CSD's payment of invoices.

For our audit test, we selected a client with an authorization start date of October 29, 2014. We asked a CSD staff super user to change the start date to an earlier date of October 01, 2014. The new start date of October 01, 2014 deleted the historical record of the original start date of October 29, 2014. The STARS system did not produce an audit trail for this change to a critical data field. The changed date was restored after the test.

CSD officials commented that *the STARS database is an old system and CSD needs to research the access right of users*

and strengthen user's restrictions to the system.

Recommendation:

1. **The Department Director should work with Information System Services to implement controls to ensure the system audit trail is monitored routinely to prevent manipulation.**

Excessive Super Users

According to the *County's Information Technology Security Policy* (CW-O-059), extreme care must be exercised in the selection of employees for the role of "super user." These users (also referred to as a "admin" or "root" users) have administrative rights to critical systems, applications and databases, including the ability to read and write to any file, run all programs and send kill signals to any process. The Security Policy also requires that, due to the significant threat posed by super users, it is necessary to take additional precautions to assure that the identities of all super users are known, that their administrative rights do not exceed the level minimally necessary to perform their duties, that these administrative rights are adjusted accordingly for changes in positions or departments, or as a result of termination, mechanisms are in place to independently monitor the exercise of these super user rights and that systems are in place to discourage or facilitate the timely identification of inappropriate actions. In actual practice, super users can modify a site's firewall, alter the audit

trail, read confidential records and shut down the entire network.

In our testing of STARS access privileges, we noted that 11 of the 56 system users had super user access to the STARS system. We believe that 20% of authorized system users having super user privileges is excessive and does not conform to County Policy. CSD does not have an internal policy on IT system access. Although not specifically addressed in the County Policy, we believe that individuals having day-to-day responsibilities for system data input as well as super user responsibilities should have two separate user identifications with appropriate segregation of duties to facilitate monitoring of activities while the individual is logged into the system as a super user.

Recommendations:

2. **The Department Director should review the current security profiles for all STARS users and administrators and ensure security access is appropriate to users.**

3. **The Department Director should maintain super user access to the minimum required for operation.**

Management Comment and Our Evaluation

Recommendation #1.

In responding to a draft of this report, the Department Director agreed with the recommendation but disagreed with

the finding. The Director stated that the system was to designed to order services for clients after a case manager had assessed their needs. The Director also stated that, although the start dates could be changed, the start dates were not relevant in relation to the delivery of services. The Director stated that the system delivered 7,543,467 units of service with 958 of those delivered outside the expected start date.

We agree with the Director's intention to implement the recommendation. We believe the Director's comments also support the potential risk we identified in STARS. However, we also believe, based on the Director's statistics, that the risk is minimal.

Recommendations #2 and 3.

In responding to a draft of this report, the Department Director agreed with the recommendations. The Director stated that profiles and security settings had been reviewed by ISS (the County's IT department). The Director stated that the community services staff with super use authority did not have the ability to make firewall changes affecting the sites, audit trails or the overall network. The Director also stated that the department will remove non-employees from the user list.

We agree with the Director's intention to implement the recommendations. We will confirm removal of employee names from access lists during follow up.

Finding 2. Contract Work Started Prior to Contract Execution Date

According to Countywide Policy and Procedure Memorandum (PPM) (CW-F-049) *Contract Development and Contract Responsibility (Policy III General Contract Requirements Section A)*, unless delegated by separate or subsequent Board of County Commissioners (BCC) policies or resolutions, members of County staff have no authority to execute contracts on behalf of the County, except as permitted by Sections 2-51 through 2-57 of the Palm Beach County Code (Purchasing Code), as amended. Further, PPM CW-F-049 *(Policy III General Contract Requirements Section C)* also specifies that no work performed by the contractor prior to the effective date of the contract is compensable without specific BCC approval.

For Fiscal Year 2015, the CSD provided funding for 61 contracts for a total value of $16,597,182. Of the 61 contracts identified, 15 were selected for detail testing. Of the 15 sample contracts selected, 9 contracts (60%) had work performed prior to the contract being executed. Eight of the contracts had a service start date of approximately two months prior to BCC execution of the contract, one contract had a service start date four months prior to BCC contract execution.

Each of these contracts was dependent on funding from a grant from another agency. PPM CW-F-049 requires funding be in place prior to awarding a contract. Since these contracts were dependent on grant funding, contract

award could not take place until after the grant funds had been awarded and sufficient budget was in place.

Each of these contracts was with a service provider with a continuing, long-term relationship with the County. CSD management stated that the providers understood that there would be a gap between expiration of the previous contract and BCC approval of the new contract, and that the providers were willing to accept the risk the BCC might not approve the new contract resulting in services being provided without payment by the County.

County policy requires departments to submit contracts to the BCC for approval (PPM CW-F-049). These submissions are done by placing an agenda item on the BCC meeting agenda requesting approval. Each of the subject contracts was approved by the BCC as routine agenda items. We reviewed each agenda item for the various contracts. The agenda items described the services to be provided, the relationship with the provider and the grant structure supporting the contract. However, in no case did an agenda item include a statement that services were already being provided under the contract and requesting BCC authority to reimburse the providers for work performed prior to the effective dates of the contracts as required by PPM CW-F-049 and described above.

We believe that payments made to the providers under these contracts without specific BCC approval of payments for work performed prior to the effective

date of the contracts are improper in that they do not comply with the requirements of the PPM. We were unable to determine the amount paid to the providers for the periods in question. The total contract value for the nine contracts was $9.7 million.

When a contractor starts work on a contract prior to the contract being executed, it can result in:
- Violation of contract terms, scope, and conditions;
- Avoidable contract amendments;
- Delay payment to the contractor; and
- Possible litigation.

According to CSD, the department receives the grant award after or near the contract's start date. Then, it takes another six to eight weeks before the award goes to BCC.
Recommendation:

4. **The Department Director should ensure that agenda items awarding contracts to providers with effective dates later than start of work dates, have a statement to that effect, and request BCC's approval of payment for that work.**

Management Comments and Our Evaluation

In responding to a draft of this report, the Director agreed with the recommendation but disagreed with the finding. The Director explained the current practice and the need to continue the provision of services funded by grantor agencies during the period between notice of grant approval and formal

approval of the grants and provider contracts by the Board of County Commissioners. The Director also stated that this has been a long standing practice of the department that has never been questioned by the Board.

We agree with the Director's intention to implement the recommendation and we understand the current practice as described by the Director. However, the current practice does not comply with existing county policy which is quite clear on the timing requirements for agreements. Additionally, current policy addresses this particular situation and provides a mechanism to remedy the timing issue by the addition of appropriate language in the agenda item awarding the contract. Since the Director has stated agreement with addition of the agenda item language, we are satisfied with this response.

Finding 3. Shortage in Petty Cash

Department wide PPM CSF-005 *Petty Cash* states *it is the CSD's policy to maintain a $200.00 petty cash fund. All expenditures from the petty cash fund shall be for County business.*

Countywide Petty Cash PPM (CW-F-041) states, *Petty cash accounts of $500 or less do not have to be reconciled monthly when there is no activity in the account. However, regardless of activity, these accounts should be reconciled quarterly. The reconciliation shall be signed by the custodian's supervisor and kept on file in the Department.*

The department maintains a petty cash

fund authorized for $200. On December 18, 2015, the Fiscal Manager and the Senior Auditor conducted an unannounced petty cash count in the presence of the custodian (Contract / Grant Coordinator) of the fund. The methodology was to verify accuracy of the $200 fund balance. We discovered the petty cash was short $15.65. There was no documentation for the shortage. The petty cash custodian indicated that the $15.65 was accidentally mixed up with her personal funds. The shortage in the petty cash was made up by the custodian immediately following the discovery of the shortage.

During Fiscal Year 2015, petty cash was reconciled only once (April 14, 2015) and this was part of a replenishment of the petty cash account. CSD provided no evidence of other reconciliations that may have been done. According to CSD, the custodian of the petty cash was changed. CSD did not maintain the reconciliations of the former custodian. It appears to us that this petty cash account was only reconciled once during the fiscal year instead of the four times required by County policy.

Without adequate reconciliation controls, the risk increases for unauthorized or unnecessary uses of the petty cash funds, and/ or undetected errors, as well as, untimely recording of transactions.

Recommendations:

5. **The Department Director should ensure the supervisor of the petty cash custodian conducts**

unannounced count of petty cash periodically.

6. **The Department Director should ensure the petty cash fund is reconciled on a quarterly basis in accordance with PPM #CW-F-041 and that documentation of the reconciliations are maintained.**

Management Comments and Our Evaluation

In responding to a draft of this report, the Department Director agreed with the finding and recommendations. The Director stated that the Department has already implemented a quarterly schedule for petty cash reviews, trained the petty cash custodian on the policies and procedures, and will conduct random petty cash counts between quarterly reconciliations.

We agree with the actions taken and planned by management.

Finding 4. Receiving Documentation Controls Need Improvement

According to Departmental PPM CSF-016 *Procurement Process,* the receiving document(s) shall be signed and dated. The PPM also indicates once the Fiscal Section receives the document(s), a RC document will be processed in the County's Financial System within (3) three business days of receipt.

Our review of 51 purchase order transactions, valued at $761,497.51, revealed:

- Timeliness of receivers for all goods and services could not be accurately determined because Fiscal Section did not date stamp receiving document. However, we were able to calculate the time lags for some services using the email date the invoices were electronically received by CSD and the dates the RC was processed by CSD.

Days Elapsed between Receiving and Recording		
PROVIDERS	DAYS	AMOUNT
Caring for Seniors	21 days	$756.39
Friends Assisting Senior & Families	30 days	$1,500.00
Mega Nursing	44 days	$1,359.74
Dimi Nursing	44 days	$67,978.00
Nutritious Lifestyle	14 days	$337.50
ILS Group #1	14 days	$22,955.62
ILS Group #2	10 days	$178.44

- Associated receiving documentation for five transactions was not retained.

- Although CSD confirmed that purchased and requested items have

been received, they did not initial and date the receiving document as required by PPM CSF-016 for 21 out of the 51 purchases.

Without backup receiving document for procurements, there is no proof of date of receipt of delivery and justification for payment for goods or services.

According to CSD, the language for the receiving documentation processes will be updated in CSD's PPM to clarify the difference between services and commodities requirements. According to CSD, the cause for services to be received and processed in Advantage in excess of the 3 days requirement are due to bottlenecks in workloads of many different items being processed by one fiscal representative.

Recommendations:

7. **The Department Director should ensure all goods and services delivered are to be received and accepted, evidenced by a receiving document indicating the receiver [staff person], items and quantities received, and the receiving date, prior to the receiver (RC) document being entered into the Advantage financial system.**

8. **The Department Director should ensure persons physically receiving goods should initial and date the receiving document (i.e. packing slip, PO copy) used to verify shipping contents, as well as notate quantities and items received as evidence of receipt of goods.**

9. **The Department Director should ensure the PPM is updated to reflect the difference in receiving requirement for services versus commodities.**

Management Comments and Our Evaluation

In responding to a draft of this report, the Department Director agreed with the finding and recommendations. The Director stated that the Department's PPM would be updated to address the areas covered in our recommendations.

We agree with the stated intention and focus of revisions indicated by management.

BACKGROUND

Community Services Department (CSD) provides staff and administrative support for various health and human service boards and community initiatives. Their mission is to enhance and improve the health, welfare, and quality of life in Palm Beach County by investing in the potential of families and individuals in need. The Department is comprised of three divisions and several independent programs:

- Administration
- Division of Senior Services (DOSS)
- Human and Veteran Services

- Community Action Program
- Farmworker Jobs and Education Program
- Ryan White Program

For Fiscal Year 2015, the Department had a staff of 156 and an adopted budget of $34.2 million.
Major budget categories were as follows:

Personal Services	$10.2 million
Operating Expenses	$12.8 million
Grants and Aids	$11.1 million

The Department monitors 61 contracts and has 85 Centralized Master Agreements (CMA). The Director of Finance & Support Service, the Fiscal Manager I, and CSD Fiscal Section are responsible for managing the purchasing activities. About 21 employees are involved in the process.

The Department purchases can be split into two categories:

- purchase orders,
- contract and other payments

The chart below summarizes the procurement amounts for Fiscal Year 2015 (October 1, 2014 through September 30, 2015).

2015		
Types	Amount	Transactions
Purchase Orders	$5,640,601	2774
Contract and Other payments	$12,578,570	1398

CSD uses the Services and Activities Management Information System (SAMIS) which is a web-based reporting system that manages the information exchange between CSD and providers. When a provider requests reimbursement, the request is submitted in SAMIS. CSD staff review the request and use SAMIS to forward the approved request to Finance for payment.

CSD uses the Senior Tracking and Referral System (STARS) for DOSS. It is an application to maintain client information, care plans, manage schedules and deliveries of meals and other supplies and services, authorize services from vendors, and monitor and reconcile invoices to delivered services. Vendors upload their invoices into the database for reimbursement request by logging into the Vendor Portal of STARS.

AUDIT SCOPE AND METHODOLOGY

The audit scope included a review of internal controls in place, relating to the procurement to payment process, for Fiscal Year 2015 (October 1, 2014 through September 30, 2015), as well as the testing of those controls. In order to answer the audit objective, we used the Procurement to Payment matrix (Attachment 1) to evaluate effectiveness. The matrix is used to identify controls to address all activities of the procurement to payment process. Audit field work was conducted at CSD from December 2015 to January 2016.

We obtained and reviewed Countywide policies and procedures and other governing documents related to the procurement to payment function. We had discussions with management and staff responsible for the procurement process at CSD regarding the various procurement functions performed at the department, as well as examined the controls and processes used to manage them. This included an evaluation of the petty cash fund disbursements. We divided the population of items to be tested between purchase orders and contracts/other transactions for our review. Within each transaction type, we randomly selected samples. Our detailed review and testing of these transactions included an examination of the back-up documentation related to the requisitioning, purchasing, receiving and payment processes, as well as the utilization of the County's accounting system, (Advantage) to identify related purchasing documentation and information. In addition, we

ascertained the adequacy of segregating key duties.

We reviewed procurement reports and backup documents from Fiscal Year 2015. More specifically, we reviewed 51 purchase orders valued at $761,497 from a population of 2,774 purchase orders valued at $5,640,601; and 40 contract & other payments valued at $613,379 from a population of 1,398 valued at $12,578,570.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
May 6, 2016
W/P # 2016-01

Attachment 1
Business Process Objectives and Controls Worksheet
Procurement to Payment Process

This process covers all activities from original identification of the need for a good or service, the development of specifications, solicitation of providers, award to a provider, receipt of the good or service, evaluation of the provider, and payment for the good or service.

Objectives
1. Comply with County, State and Federal procurement regulations
2. Identify and qualify vendors capable of meeting the County's needs
3. Develop appropriate, well defined specifications for goods or services
4. Order items that meet specifications from qualified vendors
5. Determine appropriate solicitation method
6. Maintain vendor information accurately and timely
7. Procurements are appropriately authorized by department requesting
8. Order appropriate quantities at appropriate times
9. Goods or services received comply with purchase orders
10. Purchase orders payments made based on actual goods or services received at approved prices
11. Evaluate vendor performance on a timely and accurate basis
12. Ensure timely delivery
13. Direct payment are appropriately authorized by department requesting

ADMINISTRATIVE RESPONSE

Memorandum

Department of Community Services

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West Palm Beach, FL 33401

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Palm Beach County Board of County Commissioners

Mary Lou Berger, Mayor

Hal R. Valeche, Vice Mayor

Paulette Burdick

Shelley Vana

Steven L. Abrams

Melissa McKinlay

Priscilla A. Taylor

County Administrator

Verdenia C. Baker

"An Equal Opportunity Affirmative Action Employer"

Date: May 27, 2016

To: Joe Bergeron

From: Channell Wilkins

Thru: Taruna Malhotra

Re: Response to Audit Report

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The audit report issued to the Community Services Department for the procurement to payment process included four findings and nine recommendations. Please find below the Department's response to the report. Each of the corrective actions are either in process already or will be shortly. The Department will have all corrective actions implemented within 90 days of the issuance of the final report.

Finding 1. STARS Authorization for Procurement Contains Control Weaknesses

The STARS training manual states that the start dates for previously active clients are not to be updated.

Recommendation:

1. The Department Director should work with Information System Services to implement controls to ensure the system audit trail is monitored routinely to prevent manipulation.

Department Response:

We concur with the recommendation but dispute the finding. The STARS database has been in place for many years and is not the most up to date system for delivery of services possible. While the Department has continually worked to get the system to be serviceable, an update is something that is needed and has been discussed previously. The design of the system is to order services for clients upon intake and upon case managers speaking with clients to assess their needs. At that time, case files are created and services are ordered. Although the start dates could be changed, these dates were not relevant in relation to the delivery of services. No clients could receive

services before a case manager ordered them. There was no risk of ineligible payment to vendors. In all, the system has delivered 7,543,467 units of service and, of these, only 958 were delivered outside the expected start date as it is showing in the system. This is .00013%. For the reason that there was no inherent risk to the dates being able to be changed and the proof that the effect was minimal over such a long period of time, we dispute the finding but accept the recommendation and will move forward with trying to implement the changes.

Excessive Super Users

Recommendations:

2. The Department Director should review the current security profiles for all STARS users and administrators and ensure security access is appropriate to users.

3. The Department Director should maintain super user access to the minimum required for operation.

Department Response:

We concur with the recommendation. The profiles and security settings in the STARS database for users and super users was reviewed by ISS. It was determined that no community services staff had the ability to make firewall changes affecting sites, audit trails, or the overall network. While referred to as "super users", there is a difference between Super Admin which is what Department employees are and System Super User which is reserved for only members of ISS staff. Super Admin members are only able to edit items within the database but are not able to edit the database system. In addition, any former employees still listed as a user would not be able to access the system as access to the County intranet is required to gain entry into the system and this access is revoked by ISS upon the employee's departure. The Department will remove any non employees from the list.

Finding 2. Contract Work Started Prior to Contract Execution Date

For Fiscal Year 2015, the CSD provided funding for 61 contracts for a total value of $16,597,182. Of the 61 contracts identified, 15 were selected for detail testing. Of the 15 sample contracts selected, 9 contracts (60%) had work performed prior to the contract being executed.

Recommendation:

4. **The Department Director should ensure that agenda items awarding contracts to providers with effective dates later than start of work dates, have a statement to that effect, and request BCC's approval of payment for that work.**

<u>Department Response:</u>

We concur with the recommendation but dispute the finding. The nature of our business in seeking out and receiving federal, state and local grant money is to serve the people of our community by providing the greatest amount of services at the lowest cost to the taxpayers. This often times requires the Department to issue contracts to local agencies to provide these services in advance of the receipt of the grant funds or final notifications. Due to the timing of many awards and the need to keep services for clients without a gap, we are required to issue contracts with dates allowing the start of services in advance of when these contracts are able to be finalized by the Board. This has been the practice of this Department for many years and it has never been questioned by the Board. We agree that the recommended statements could be added to the agenda items going forward for transparency purposes but disagree that this should be a finding since this practice was never questioned before and the contracts clearly had starting dates in them in advance of the subsequent approvals by the Board.

Finding 3. Shortage in Petty Cash

Without adequate reconciliation controls, the risk increases for unauthorized or unnecessary uses of the petty cash funds, and/ or undetected errors, as well as, untimely recording of transactions.

Recommendations:

5. **The Department Director should ensure the supervisor of the petty cash custodian conducts unannounced count of petty cash periodically.**

6. **The Department Director should ensure the petty cash fund is reconciled on a quarterly basis in accordance with PPM #CW-F-041 and that documentation of the reconciliations are maintained.**

Department Response:

We concur with the finding. Due to a transition of staff and subsequent changes of duties, the petty cash policies and procedures were not maintained as they should have been per the PPM. The Department has already implemented a quarterly schedule for petty cash review and assigned personnel to conduct. In addition, the petty cash custodian was trained on the policies and procedures on how to properly handle the account and responsibilities that come with that role. Management will also conduct random petty cash counts between quarterly reconciliations.

Finding 4. Receiving Documentation Controls Need Improvement

According to Departmental PPM CSF-016 *Procurement Process,* the receiving document(s) shall be signed and dated. The PPM also indicates once the Fiscal Section receives the document(s), a RC document will be processed in the County's Financial System within (3) three business days of receipt.

Recommendations:

7. The Department Director should ensure all goods and services delivered are to be received and accepted, evidenced by a receiving document indicating the receiver [staff person], items and quantities received, and the receiving date, prior to the receiver (RC) document being entered into the Advantage financial system.

8. The Department Director should ensure persons physically receiving goods should initial and date the receiving document (i.e. packing slip, PO copy) used to verify shipping contents, as well as notate quantities and items received as evidence of receipt of goods.

9. The Department Director should ensure the PPM is updated to reflect the difference in receiving requirement for services versus commodities.

Department Response:

We concur with the finding. The Department's PPM in relation to receivers was written to address the receiving of goods but did not address the receiving of services which has different timelines and processes required. The Department will update the PPM to address the differences and to create realistic timelines for receiving both good and services and the procedures which staff must follow.

Office of the County Internal Auditor
Audit Report #2016-10

Purchasing Department

Procurement to Payment

Stewardship – Accountability – Transparency

WHY WE CONDUCTED THIS AUDIT

We conducted this audit to address the following:

Did the Purchasing Director ensure that internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements for Fiscal Year 2015 (through June 30, 2015)?

WHAT WE FOUND

Except for the findings and recommendations described below, the Purchasing Director ensured that the Department's internal controls implemented for the procurement to payment processes were adequate to ensure compliance with the County's procurement requirements for Fiscal Year 2015 (through June 30, 2015).

In addition, during the course of fieldwork we noted certain situations that did not rise to the level of findings that we felt should be communicated to management. A management letter was issued to the Purchasing Director identifying these situations for informational purposes only.

WHAT WE RECOMMEND

The audit report makes six recommendations to improve controls over the procurement to payment process. The recommendations address improvements in inventory management practices, approvals of procurements in the Purchasing Warehouse, and documentation of procurement actions.

DETAILED FINDING AND RECOMMENDATIONS

Finding 1. **Segregation of Duties (SOD) Controls Need Improvement**

The Government Accountability Office's (GAO) "*Standards for Internal Controls in the Federal Government (September 2014)*" defines Segregation of Duties (SOD) as the separation of the authority, custody, and accounting of an operation. Key duties and responsibilities are divided or segregated among different people to reduce the risk of error, misuse, or fraud. The Standard also states "If segregation of duties is not practical within an operational process because of limited personnel or other factors, management designs alternative control activities to address the risk of fraud, waste, or abuse in the operational process.

The Government Accountability Office's (GAO) "*Internal Control Management and Evaluation Tool (August 2001)*" identifies guidelines to be considered for implementing segregation of duties as follows:

- No one individual is allowed to control all key aspects of a transaction or event;
- Responsibilities and duties involving transactions and events are separated among different employees with respect to authorization, approval, processing and recording, making payments or

receiving funds, review and auditing, and the custodial functions and handling of related assets;
- Duties are assigned systematically to a number of individuals to ensure that effective checks and balances exist;
- Where feasible, no one individual is allowed to work alone with cash, negotiable securities, or other highly venerable (sic) assets;
- The responsibility for opening mail is assigned to individuals who have no responsibilities for or access to files or documents pertaining to accounts receivable or cash;
- Bank accounts are reconciled by employees who have no responsibilities for cash receipts, disbursements, or custody; and
- Management is aware that collusion can reduce or destroy the control effectiveness of segregation of duties and, therefore, is especially alert for it and attempts to reduce the opportunities for it to occur.

1.   Purchasing Warehouse Accounting System Authorizations

In our review of controls over the procurement to payment functions for the Purchasing Warehouse, we found three warehouse staff (the Warehouse Manager, the Fiscal Specialist, and the Buyer Assistant) are authorized to enter

and approve purchase orders and the receiver document in the accounting system. However, only the Warehouse Manager and the Fiscal Specialist are currently assigned those duties.

2. Purchasing Warehouse Office Supplies Order Approvals

In our review of three purchase orders submitted for office supplies we found the person entering the purchase order was the same person approving the purchase order in the accounting system.

3. Purchasing Warehouse Stock Item Order Approvals

Prior to March 2015, purchase orders were based on an Inventory Report generated by the Warehouse Manager and orders were entered manually in the accounting system by either the Warehouse Manager or the Fiscal Specialist. Beginning in March 2015, most purchase orders submitted for warehouse stock items are generated by the automatic reorder function in Advantage. The automatic reorder function is initiated weekly and a report is generated listing the purchase orders created in Advantage. The report is used to review the purchase orders and to make modifications in Advantage as deemed necessary by either the Warehouse Manager or the Fiscal Specialist. However, the Warehouse Manager does not routinely review and approve the purchase order modifications made by the Fiscal Specialist for stock items purchased for the warehouse. The Warehouse

Manager stated that because of the volume of purchase orders produced, to review and approve every order would slow down the process or stop the process when he is out of the office (i.e., training, vacation, etc.).

In addition, we were not able to verify a consistent separation of duties when receiving warehouse stock items. Of the 35 purchase orders reviewed for warehouse stock items we found one purchase order where the person physically receiving the order was the same person entering the receiving document in the accounting system and two purchase orders where we could not verify the person physically receiving the orders.

Recommendations:

1. The Warehouse Manager should request the Buyer Assistant's access in Advantage be deleted. (Finding 1, point 1)

2. The Warehouse Manager should review and approve purchases of office supplies for Warehouse use. (Finding 1, point 2)

3. The Warehouse Manager should periodically review all modifications to system generated automatic orders. (Finding 1, point 3)

4. The Warehouse Manager should ensure the person physically receiving orders is not the person entering the receiving document in the accounting system. (Finding 1, point 3)

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Purchasing Director agreed with the findings and recommendations. The Director stated that all four of the recommendations have been implemented.

We will confirm implementation during our routine follow-up work but are very encouraged by the prompt action by the Director to implement the recommendations.

Finding 2. Documentation Controls Need Improvement

United States General Accounting Office (GAO) Internal Control Standards, "*Internal Control Management and Evaluation Tool*," August 2001, states that documentation of transactions and other significant events should be complete and accurate to facilitate tracing the transaction or event and related information from authorization and initiation, through its processing, to after it is completed.

Purchasing Warehouse

We found price quotes are not consistently retained with the backup documents for decentralized purchase orders (DPOs). Our review of 13 DPOs valued at $7,499.47 found 11 of the 13 DPOs did not include substantiating evidence of pricing for the items listed on the purchase order in the backup documentation, therefore we could not verify that the price on the purchase

order was the correct price of the commodities listed on the procurement documents.

In addition, for orders of warehouse stock items requested for warehouse office and mailroom staff we could not verify: the date the order was received, who received the order, or what items were received. Our review of backup documentation for four stock requests (SRQs) valued at $896.15, submitted for warehouse stock items found no evidence on the receiving documents for any of the SRQs reviewed as to when the items were received, who received them, or what items were received. Inadequate documentation available for examination and justification for payment may increase the risk for theft, fraud or abuse.

Recommendations:

5. The Warehouse Manager should ensure price quotes are obtained, documented and maintained for DPO purchase orders.

6. The Warehouse Manager should require the SRQ document be entered in the accounting system prior to the delivery/receipt of warehouse stock items requested by warehouse office and mailroom staff and the Pick and Issue ticket generated from the entry of the SRQ be used to document when the items are received, who received the order, and what items were received.

Management Comments and Our Evaluation

In replying to a draft of this audit report, the Director agreed with the findings and recommendations and stated that both of the recommendations have been implemented.

We will confirm implementation during our routine follow-up work but are very encouraged by the prompt action by the Director to implement the recommendations.

BACKGROUND

The Purchasing Department (Department) procures non-construction related goods and services valued at or exceeding $5,000 and also monitors all procurements under $5,000 made by County departments. Primary services include procuring goods and services for Palm Beach County; monitoring term contracts to ensure that gaps in service do not occur; monitoring decentralized purchases made by County departments to ensure that the appropriate policies and procedures are observed; providing suggestions to County departments with regard to alternative source selections; handling all protests, including those pertaining to construction related procurements; coordinate and participate in protest hearings conducted before a Special Master; and provide procurement training, advice, and assistance to all County departments. The Department has 44 positions and an annual operating budget of approximately $3.7M for Fiscal Year 2015.

The Department also provides a central warehouse that includes a store and storage facility. Primary services include the processing of stock requisitions through the automated Inventory Control Subsystem and providing stock items to County departments; delivering interdepartmental and U.S. Mail, publications, and paychecks to County departments; providing centralized shipping, receiving, and storage operations for County departments and Constitutional Officers; maintaining an inventory of emergency supplies, and delivering storage items and stock goods as requested.

The Department's own department procurements include: 1) purchase order procurements such as Delivery Orders (DO), Decentralized Purchase Orders (DPO), Centralized Purchase Orders (CPO), and Stock Requests (SRQ); and 2) contracts and direct payments. During

Fiscal Year 2015 (through June 30), Department Administration had purchase order procurements totaling $40,446.88, and contract and direct payments totaling $6,466.93. The

Central Warehouse had purchase order procurements totaling $1,585,323.31 and direct payments totaling $1,941.78.

AUDIT SCOPE AND METHODOLOGY

This audit was selected as part of the 2015 business process annual audit plan approved by the Audit Committee. The audit scope included a review of internal controls in place relating to the procurement to payment process for Fiscal Year 2015 (through June 30), as well as testing of those controls.

For our audit objective, our planning effort included discussions with Department management and staff, a review of the budget information for the department contained in the County Budget Book for fiscal year 2015, department procurement reports, Countywide purchasing policies and procedures, and other pertinent documentation.

Our detailed review methodology included reviewing and testing backup documen-tation for purchase orders as well as direct payments. We divided the population of items to be tested between Purchasing Administration and the Purchasing Warehouse. Within those divisions we selected random samples from each transaction type. We selected 15 items to be tested for Purchasing Administration from a population of 80 items from 7 different

transaction types. We selected 51 items to be tested for the Purchasing Warehouse from a population of 1728 items from 4 different transaction types.

Management is responsible for establishing and maintaining effective internal controls to help ensure that appropriate goals and objectives are met; resources are used effectively, efficiently, and economically, and are safeguarded; laws and regulations are followed; and management and financial information is reliable and properly reported and retained. We are responsible for using professional judgment in establishing the scope and methodology of our work, determining the tests and procedures to be performed, conducting the work, and reporting the results.

We conducted this performance audit in accordance with generally accepted government auditing standards. These standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for

our findings and conclusions based on
our audit objectives.

Joseph F. Bergeron, CPA, CIA, CGAP
County Internal Auditor
March 11, 2016
W/P # 2015-15

Attachment 1
Business Process Objectives and Controls Worksheet
Procurement to Payment Process

This process covers all activities from original identification of the need for a good or service, the development of specifications, solicitation of providers, award to a provider, receipt of the good or service, evaluation of the provider, and payment for the good or service.

Objectives
1. Comply with County, State and Federal procurement regulations
2. Identify and qualify vendors capable of meeting the County's needs
3. Develop appropriate, well defined specifications for goods or services
4. Order items that meet specifications from qualified vendors
5. Determine appropriate solicitation method
6. Maintain vendor information accurately and timely
7. Procurements are appropriately authorized by department requesting
8. Order appropriate quantities at appropriate times
9. Goods or services received comply with purchase orders
10. Purchase orders payments made based on actual goods or services received at approved prices
11. Evaluate vendor performance on a timely and accurate basis
12. Ensure timely delivery
13. Direct payment are appropriately authorized by department requesting

ADMINISTRATIVE RESPONSE

**INTEROFFICE COMMUNICATION
PALM BEACH COUNTY**

DATE: June 2, 2016

TO: Joe Bergeron, County Internal Auditor

FROM: Kathy Scarlett, Director
              Purchasing Department

RE: **FINAL DRAFT AUDIT REPORT**

The Internal Audit Report issued to the Purchasing Department for the Procurement To Payment process included two (2) findings and six (6) recommendations. Below is the Purchasing Department's response to the internal Audit Report.

Finding 1. Segregation of Duties (SOD) Controls Need Improvement

- **Purchasing Warehouse Accounting System Authorizations**
  Three warehouse staff (the Warehouse Manager, the Fiscal Specialist, and the Buyer Assistant) are authorized to enter and approve purchase orders and the receiver document in the accounting system. However, only the Warehouse Manager and the Fiscal Specialist are currently assigned those duties.

  Recommendation:

  1. The Warehouse Manager should request the Buyer Assistant's access in Advantage be deleted.

  Department Response:
  The Purchasing Department agrees with this finding and recommendation. The Buyer Assistant has been deleted access in Advantage for this purpose. COMPLETED.

- **Purchasing Warehouse Office Supplies Order Approvals**
  The warehouse employee entering the purchase order was the same person approving the purchase order in the accounting system.

  Recommendation:

  2. The Warehouse Manager should review and approve purchases of office supplies for Warehouse use.

  Department Response:
  The Purchasing Department agrees with this finding and recommendation. The Warehouse Manager is currently reviewing and approving all office supply purchases. COMPLETED.

- **Purchasing Warehouse Stock Item Order Approvals**
  The Fiscal Specialist was making modifications to the system generated automatic orders as necessary.

  Recommendation:

  3. The Warehouse Manager should periodically review all modifications to system generated automatic orders.

  Department Response:
  The Purchasing Department agrees with this finding and recommendation. The Warehouse Manager is scheduled to review all modifications to system generated automatic orders every six (6) months. COMPLETED.

- **The Fiscal Specialist has been receiving the purchased goods or services and entering the receiving document in the accounting system.**

  Recommendation:

  4. The Warehouse Manager should ensure the person physically receiving the purchased goods or services is not the person entering the receiving document in the accounting system.

Department Response:
The Purchasing Department agrees with this finding and recommendation. These responsibilities have been segregated and no one (1) person will do both. COMPLETED.

Finding 2. Documentation Controls Need Improvement

- **Backup Documentation for Price quotes received for goods have not consistently been documented and maintained.**

  Recommendation:

  5. The Warehouse Manager should ensure price quotes are obtained, documented and maintained for DPOs.

  Department Response:
  The Purchasing Department agrees with this finding and recommendation. Adequate procedures have been put in place. COMPLETED.

  In addition, the Purchasing Director has prepared a draft countywide DPO PPM for approval by the County Administrator.

- **Internal purchases of warehouse stock for use by the Warehouse or Mailroom must be made via the established process for all Warehouse purchases.**

  Recommendation:

  6. The Warehouse Manager should require the SRQ document be entered in the accounting system prior to the delivery/receipt of warehouse stock items requested by warehouse office and mailroom staff and the Pick and Issue ticket generated from the entry of the SRQ be used to document when the items are received, who received the order, and what items were received.

  Department Response:
  All purchases of Warehouse stock for use by the Warehouse or Mailroom are being made via the established process for all Warehouse purchases. COMPLETED.

Office of the County Internal Auditor

AUDIT RECOMMENDATION STATUS

FOLLOW-UP REPORT

AS OF MARCH 31, 2016

Reviewed by Audit Committee
June 15, 2016

ISSUED JUNE 15, 2016

Stewardship – Accountability – Transparency

AUDIT RECOMMENDATION STATUS
FOLLOW-UP REPORT
AS OF MARCH 31, 2016

TABLE OF CONTENTS

DATE: June 15, 2016

TO: The Audit Committee

FROM: Joseph F. Bergeron, Internal Auditor

SUBJECT: Transmittal Letter for Recommendation Follow-Up
             Report Dated March 31, 2016

Attached is the Internal Auditor's Recommendation Follow-Up Report providing the status of audit recommendations as of March 31, 2016. These reports will be prepared semiannually for periods ending March 31 and September 30. The reports are submitted to the Audit Committee at its meeting following the report "as of" dates. We will submit the reports to the BCC (generally January and July) following Audit Committee review.

The report contains a Summary Status of Audit Recommendations followed by:

- Exhibit 1   Audit Recommendations Open at Beginning of the October 1, 2015 through March 31, 2016 Reporting Period
- Exhibit 2   Audit Recommendations Issued During the October 1, 2015 through March 31, 2016 Reporting Period
- Exhibit 3   Open Audit Recommendations by County Department at March 31, 2016
- Exhibit 4   Summary Aging of Open Audit Recommendations at March 31, 2016
- Exhibit 5   Recommendations Implementation Dates
- Exhibit 6   Audit Recommendations Submitted for Audit Committee Consideration
- Exhibit 7   Recommendation Status at March 31, 2016

The purpose of this report is to keep the Audit Committee, the BCC and County Administration informed of the status of recommendations made by the Internal Auditor's Office and to facilitate oversight by County Administration on departmental implementation activities.

Exhibit 6 includes recommendations which have had final management action without correcting the underlying condition where we believe additional action is necessary (Part A) or that have been open for at least two years (Part B).

Audit recommendation follow-up is conducted to determine if management has implemented the corrective action agreed to during the audit and to ensure the underlying condition has been corrected.

Audit recommendations are proposed by the Internal Auditor's Office and either accepted by management as proposed or management proposes alternate solutions, which are acceptable to Internal Audit. An audit recommendation is "Open" from the time the audit report containing the recommendation has been reviewed by the Audit Committee until management has either implemented the recommendation or decided to take no further action. Audit recommendations remain in this report as long as the recommendation is open. If management chooses to take no further action, Internal Audit reports that in Exhibit 5 and recommends appropriate action to the Audit Committee.

This report tracks every audit recommendation from the date of issuance through to final disposition. Management establishes projected implementation dates for all recommendations during the audit. Internal Audit tracks the projected implementation dates and conducts follow-up on audit recommendations when management confirms the recommendation has been implemented.

If management has not implemented the recommendation by the scheduled implementation date, Internal Audit makes inquiries of management to determine:
- What actions, if any, have been taken by management;
- Why the recommendation has not been implemented as scheduled; and
- When will the recommendation be implemented?

Internal Audit will conduct limited due diligence reviews to determine the validity of management's responses and consult with County Administration to determine if the reasons for delay are reasonable and report delinquencies where appropriate. The recommendation implementation date will be adjusted as necessary based on the new information from management.

Recommendation status is listed in Exhibits 6 and 7 as either:
➢ **Completed** The recommendation has been fully implemented or management has implemented alternative actions that achieved the same purpose as the original recommendation, and the actions taken by management have corrected the underlying conditions. Internal Audit review confirms management's actions.
➢ **In process** Internal Audit has conducted a follow-up review and found that management has not fully implemented the recommendation and that additional work is necessary to fully implement the recommendation. Management provides a new projected implementation date for the corrective action. Additional follow-up will be required. In some cases management tells Internal Audit that implementation is underway but not yet complete. In that case Internal Audit will perform limited procedures to verify management's assertion.
➢ **Future implementation** The implementation date established by management occurs after the date of this report and Internal Audit has done no review work on the recommendation.
➢ **Follow-up pending** The department has reported implementation of the audit recommendation. However, Internal Audit has not yet done the follow-up review work to confirm management's actions.

SUMMARY STATUS OF AUDIT RECOMMENDATIONS

MARCH 31, 2016

As of March 31, 2016 the Internal Auditor's Database of Audit Recommendations showed that management actions had not been completed on 52 recommendations. These recommendations are considered "Open". Of those 52 open recommendations, follow-up has been conducted on 20 showing that management action has started but was not yet complete. The other 32 open recommendations are scheduled for follow-up in the future and no audit evaluation has been conducted at this time.

Changes in the inventory of Audit Recommendations during the period October 1, 2015 through March 31, 2016 are shown below:

Open Audit Recommendations as of October 1, 2015	80
Additional Audit Recommendations from Audit Reports Issued October 1, 2015 through March 31, 2016	21
Audit Recommendations Completed October 1, 2015 through March 31, 2016	22
Open Audit Recommendations as of March 31, 2016	79

Recommendation follow-up work is generally conducted within one year of report issuance or earlier if management indicates that final action has been completed. Follow-up is done to determine the following:

- Was the recommendation implemented as agreed to by management? Or, if not, did alternative management action(s) correct the identified deficiency (ies)?

- Was the underlying cause (condition) corrected?

Sufficient audit evidence is developed to support a conclusion as to implementation of the recommendation and correction of the underlying cause (condition). If final management action has been taken on all audit recommendations in an audit report, the recommendations are considered "Complete" and are included in the current report, but not in future reports.

If management action(s) are not complete on any or all of the audit recommendations in an audit report, they are included in this report as 'In Process" and another audit follow-up will be scheduled. In those cases where final management action has been taken and the underlying cause (condition) has not been corrected, we show this recommendation as Completed, Not Implemented. These recommendations are included within Exhibit 5 for Audit Committee consideration.

Exhibit 1: Audit Recommendations Open at Beginning of the October 1, 2015 through March 31, 2016 Reporting Period

Report	Issue Date	Number of Open Audit Recommendations Beginning of Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
13-09 **Public Affairs** Graphics Division	Sep-13	1	0	1
14-05 **Parks and Recreation** Aquatics	Jun-14	4	4	0
14-08 **Economic Sustainability** Capital Improvements, Real Estate, & Inspection	Jun-14	4	4	0
15-03 **Water Utilities** Operations and Maintenance	Mar-15	8	0	8
15-05 **Parks and Recreation** Special Facilities	Mar-15	3	2	1
15-06 **Palm Tran** Fixed Route	Mar-15	11	8	3
15-07 **Office of Equal Opportunity** Fair Housing and Equal Employment	Mar-15	10	0	10
15-11 **Criminal Justice Commission** Performance Management	Jun-15	6	0	6
15-12 **Public Affairs** Procurement to Payment	Jun-15	4	4	0
15-13 **Public Affairs** Performance Management	Jun-15	3	0	3
15-14 **Cooperative Extension Service** Procurement to Payment	Sep-15	7	0	7
15-15 **Cooperative Extension Service** Performance Management	Sep-15	6	0	6
15-17 **Office of Small Business Assistance** Revenue Management	Sep-15	2	0	2
15-18 **Office of Small Business Assistance** Performance Management	Sep-15	6	0	6
15-20 **Metropolitan Planning Organization** Procurement to Payment	Sep-15	2	0	2
15-21 **Metropolitan Planning Organization** Performance Management	Sep-15	3	0	3
Total		**80**	**22**	**58**

Exhibit 2: Audit Recommendations Issued During the October 1, 2015 through March 31, 2016 Reporting Period

Report	Issue Date	Number of Audit Recommendations Issued this Reporting Period	Final Management Action Taken During Reporting Period	Number of Open Audit Recommendations End of Reporting Period
<u>16-01</u> **Medical Examiner** Procurement to Payment	Dec-15	11	0	11
<u>16-03</u> **Fire Rescue** Procurement to Payment	Dec-15	1	0	1
<u>16-04</u> **ISS** Applications Services	Dec-15	3	0	3
<u>16-06</u> **ISS** Procurement to Payment	Mar-16	2	0	2
<u>16-07</u> **OFMB** Impact Fees - Boynton Beach	Mar-16	4	0	4
Total		**21**	**0**	**21**

Exhibit 3: Open Audit Recommendations
by County Department
as of March 31, 2016

Department	In Process	Future Implementation
Cooperative Extension	6	7
Criminal Justice Commission	0	6
Fire Rescue	0	1
ISS	0	5
Medical Examiner	11	0
Metropolitan Planning Organization	2	3
Office of Equal Opportunity	10	0
OFMB	0	4
Office of Small Business Assistance	2	6
Palm Tran	3	0
Parks and Recreation Department	1	0
Public Affairs	1	3
Water Utilities	8	0
Total Open Recommendations	**44**	**35**

Future implementation
The implementation date established by management occurs after the date of this report and
Internal Audit has done no review work on the recommendation.

Exhibit 4: Summary Aging of Open Audit Recommendations
As of March 31, 2016

Timeframe	Inventory at Beginning of Period (Exhibit 1)	Issued During this Period (Exhibit 2)	Closed During this Period (Exhibits 1 and 2)	Open at the End of this Period	In Process	Future Implementation
0 - 6 Months	0	21	0	21	11	10
7 - 12 Months	39	0	4	35	10	25
1 - 2 Years	40	0	18	22	22	0
Over 2 Years	1	0	0	1	1	0
Total	**80**	**21**	**22**	**79**	**44**	**35**

0 - 6 Months	October 2015 - March 2016
7 - 12 Months	April 2015 - September 2015
1 - 2 Years	April 2014 - March 2015
Over 2 Years	Prior to April 2014

Future implementation
The implementation date established by management occurs after the date of this report and Internal Audit has done no review work on the recommendation.

A/C Mtg Date	Report #	Rec #	OID	AFD	RID	AFD	RID	AFD
Sep-13	13-09	1	Dec-13	Mar-15	May-15	Sep-15		
Mar-15	15-03	1	May-15	Apr-16				
Mar-15	15-03	2	May-15	Apr-16				
Mar-15	15-03	3	May-15	Apr-16				
Mar-15	15-03	4	May-15	Apr-16				
Mar-15	15-03	5	May-15	Apr-16				
Mar-15	15-03	6	Aug-15	Apr-16				
Mar-15	15-03	7	Jul-15	Apr-16				
Mar-15	15-03	8	Jul-15	Apr-16				
Mar-15	15-05	1	Sep-15	Mar-16	Apr-16			
Mar-15	15-05	2	Sep-15	Mar-16	complete			
Mar-15	15-05	3	Sep-15	Mar-16	complete			
Mar-15	15-06	1	Sep-15	Oct-15	Dec-15	Mar-16		
Mar-15	15-06	2	Sep-15	Oct-15	complete			
Mar-15	15-06	3	Sep-15	Oct-15	complete			
Mar-15	15-06	4	Sep-15	Oct-15	Dec-15	Mar-16	complete	
Mar-15	15-06	7	Sep-15	Oct-15	complete			
Mar-15	15-06	8	Sep-15	Oct-15	Dec-15	Mar-16	complete	
Mar-15	15-06	9	Sep-15	Oct-15	Dec-15	Mar-16		
Mar-15	15-06	10	Sep-15	Oct-15	Dec-15	Mar-16		
Mar-15	15-06	11	Sep-15	Oct-15	complete			
Mar-15	15-06	12	Sep-15	Oct-15	complete			
Mar-15	15-06	13	Sep-15	Oct-15	complete			
Mar-15	15-07	1	Oct-15		Apr-16			
Mar-15	15-07	2	Oct-15		Apr-16			
Mar-15	15-07	3	Oct-15		Apr-16			
Mar-15	15-07	4	Oct-15		Apr-16			
Mar-15	15-07	5	Oct-15		Apr-16			
Mar-15	15-07	6	Oct-15		Apr-16			
Mar-15	15-07	7	Oct-15		Apr-16			
Mar-15	15-07	8	Oct-15		Apr-16			
Mar-15	15-07	9	Oct-15		Apr-16			
Mar-15	15-07	10	Oct-15		Apr-16			
Jun-15	15-11	1	Apr-16					
Jun-15	15-11	2	Apr-16					

Symbol Legend: OID = Original Implementation Date: AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 5
Recommendation Status Report as of March 31, 2016
By Report Number and Implementation Date

A/C Mtg Date	Report #	Rec #	OID	AFD	RID	AFD	RID	AFD
Jun-15	15-11	3	Apr-16					
Jun-15	15-11	4	Apr-16					
Jun-15	15-11	5	Apr-16					
Jun-15	15-11	6	Apr-16					
Jun-15	15-13	1	Apr-16					
Jun-15	15-13	2	Apr-16					
Jun-15	15-13	3	Apr-16					
Sep-15	15-14	1	Oct-15		Apr-16			
Sep-15	15-14	2	Oct-15		Apr-16			
Sep-15	15-14	3	Oct-15		Apr-16			
Sep-15	15-14	4	Oct-15		Apr-16			
Sep-15	15-14	5	Oct-15		Apr-16			
Sep-15	15-14	6	Oct-15		Apr-16			
Sep-15	15-14	7	Oct-15		Apr-16			
Sep-15	15-15	1	Oct-15					
Sep-15	15-15	2	Oct-15					
Sep-15	15-15	3	Oct-15					
Sep-15	15-15	4	Oct-15					
Sep-15	15-15	5	Oct-15					
Sep-15	15-15	6	Oct-15					
Sep-15	15-17	1	Mar-16					
Sep-15	15-17	2	Mar-16					
Sep-15	15-18	1	Sep-16					
Sep-15	15-18	2	Sep-16					
Sep-15	15-18	3	Sep-16					
Sep-15	15-18	4	Sep-16					
Sep-15	15-18	5	Sep-16					
Sep-15	15-18	6	Sep-16					
Sep-15	15-20	1	Jan-16					
Sep-15	15-20	2	Jan-16					
Sep-15	15-21	1	Mar-16					
Sep-15	15-21	2	Mar-16					
Sep-15	15-21	3	Mar-16					

Symbol Legend: OID = Original Implementation Date: AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 5
Recommendation Status Report as of March 31, 2016
By Report Number and Implementation Date

A/C Mtg Date	Report #	Rec #	OID	AFD	RID	AFD	RID	AFD
Dec-15	16-01	1	Dec-15					
Dec-15	16-01	2	Dec-15					
Dec-15	16-01	3	Dec-15					
Dec-15	16-01	4	Dec-15					
Dec-15	16-01	5	Dec-15					
Dec-15	16-01	6	Dec-15					
Dec-15	16-01	7	Dec-15					
Dec-15	16-01	8	Dec-15					
Dec-15	16-01	9	Dec-15					
Dec-15	16-01	10	Dec-15					
Dec-15	16-01	11	Dec-15					
Dec-15	16-03	1	Jun-16					
Dec-15	16-04	1	Jun-16					
Dec-15	16-04	2	Jun-16					
Dec-15	16-04	3	Feb-16					
Mar-16	16-06	1	Jul-16					
Mar-16	16-06	2	Jul-16					
Mar-16	16-07	1	Apr-16					
Mar-16	16-07	2	Apr-16					
Mar-16	16-07	3	Apr-16					
Mar-16	16-07	4	Apr-16					

Symbol Legend: OID = Original Implementation Date: AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 5
Recommendation Status Report as of March 31, 2016
By Report Number and Implementation Date

A/C Mtg Date	Report #	Rec #	OID	AFD	RID	AFD	RID	AFD

Symbol Legend: OID = Original Implementation Date: AFD = Audit Follow-up Date; RID = Revised Implementation Date

Exhibit 6: Audit Recommendations Submitted for Audit Committee Consideration as of March 31, 2016

Recommendations for which Final Management Action Has Been Taken Without Resolving the Underlying Condition	
None	

Recommendations Which Have Been Open Longer Than Two Years	

13-09 Public Affairs Graphics Division	
Report issued September 2013 containing 14 recommendations First follow-up scheduled for January 2014 Second follow-up scheduled for July 2015	
#1 The Division Manager should ensure that procedures addressing the issues described above are either prepared or updated (as appropriate) in a timely manner.	**Status - March 2016** **In Process** No PPMs have been developed to address Controlling and Administering Inventory. The finding remains open pending a response from the Division Manager for a new implementation date. **Status - September 2015** **In Process.** This recommendation has been partially implemented. We confirmed procedures for Billing Rates have been established, determined that the overall risk of not having a written PPM for Revenue is low, as the revenue collection function has since been transferred to Finance, and determined that the overall risk of not having a written PPM for Sales Tax is low or nonexistent as taxable

	customers are no longer to be provided copying/printing services. We also determined that the risk of not having a set of PPMs for the Division is not significant. However, no PPMs have been developed to address Controlling and Administering Inventory. **Status - March 2015** **In process** This recommendation has been partially implemented. We confirmed PPM CW-L-005, Printing and Publication of County Documents, prepared by Public Affairs, was updated as of April 16, 2013. However, they continue to work on procedures for establishing billing rates. OFMB reported that PPM-PA-F-005, which addresses the establishment and updating of billing rates, had been submitted to them for review. Further, the PPM addressed the establishing of labor rates, but did not include material type rates. They continue to work on procedures for: Revenue, Sales Tax, as well as a Dept PPM for inventory and a set of Division PPMs. **Status - September 2014** **In process.** **Status - March 2014** **In process.** **Status - September 2013** **Future implementation.**

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
13-09 Public Affairs **Graphics Division**	
Report issued September 2013 containing 14 recommendations First follow-up scheduled for January 2014 Second follow-up scheduled for July 2015	
#1 The Division Manager should ensure that procedures addressing the issues described above are either prepared or updated (as appropriate) in a timely manner.	**Status - March 2016** **In Process.** No PPMs have been developed to address Controlling and Administering Inventory. The finding remains open pending a response from the Division Manager for a new implementation date. **Status - September 2015** **In Process.** This recommendation has been partially implemented. We confirmed procedures for Billing Rates have been established, determined that the overall risk of not having a written PPM for Revenue is low, as the revenue collection function has since been transferred to Finance, and determined that the overall risk of not having a written PPM for Sales Tax is low or nonexistent as taxable customers are no longer to be provided copying /printing services. We also determined that the risk of not having a set of PPMs for the Division is not significant. However, no PPMs have been developed to address Controlling and Administering Inventory.

1

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - March 2015 **In process.** This recommendation has been partially implemented. We confirmed PPM CW-L-005, Printing and Publication of County Documents, prepared by Public Affairs, was updated as of April 16, 2013. However, they continue to work on procedures for establishing billing rates. OFMB reported that PPM-PA-F-005, which addresses the establishment and updating of billing rates, had been submitted to them for review. Further, the PPM addressed the establishing of labor rates, but did not include material type rates. They continue to work on procedures for: Revenue, Sales Tax, as well as a Dept PPM for inventory and a set of Division PPMs. **Status - September 2014** **In process.** **Status - March 2014** **In process.** **Status - September 2013** **Future implementation.**
14-05 Parks and Recreation **Aquatics Division**	
Report issued June 2014 containing 4 recommendations First follow-up January 2015 Second follow-up August 2015	
#1 The Parks and Recreation Department Director should modify departmental PPM PRO-J03 to include controls needed to prevent opportunities for abuse including, cursory reviews by	**Status - March 2016** **Complete.**

2

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
Facility Management of voided transactions for detection of irregularities or excessive voids, of the condition(reason)under which the transaction was voided to ensure the proper process was followed, and requiring a customer's signature on voided cash transactions as a compensating control when the on-duty manager is unavailable. In addition, voided transactions should be monitored by documenting these transactions to help detect patterns of abuse or excess use of voids.	Controls have been implemented to require verification of a voided transaction by a second party. However, we noted that 8 of the 18 voided transactions reviewed were not signed by the customer. We consider this a low risk situation as long as an appropriate official is approving the voided transaction. Therefore, we consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 In Process.** This recommendation has been partially implemented. The Department has created a new PPM (PPM DO-F-017) for the processing of void/refund transactions. Our review of the controls outlined in the PPM found further implementation is needed. We found all voids/refunds are reviewed and approved by the Facility Manager or designee. We found the condition/ reason for the void/refund is being entered on the forms. However, the PPM requires the reason to be entered in the POS system. This requirement has not been implemented. We also found, the new PPM requires a customer

3

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	signature on the void receipts. We found 7 of the 8 void receipts reviewed did not have a customer signature. **Status - September 2014 Future implementation.** Implementation scheduled for December 2014; follow-up scheduled for January 2015. **Status - June 2014 Follow-up pending.**
#2 The Parks and Recreation Department Director should ensure that a separate cash drawer is provided to each cashier in order to avoid sharing of cash drawers and that each cashier has been instructed on their responsibility for the security of the cash that has been assigned to them as defined in PPM CW-F-041.	**Status - March 2016 Complete.** Cash drawers are no longer shared, therefore we consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 In Process.** Management's response to the finding indicated it was not practical to provide a separate cash drawer for each cashier and that compensating controls would be put into place. The compensating control was to have the cash reconciled upon each shift change. In our review, we found that practice has not been implemented. In addition, we found that the cash drawer used by the Fiscal Staff is a shared drawer.

4

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2014 **Future implementation.** Implementation scheduled for December 2014; follow-up scheduled for January 2015. **Status - June 2014** **Follow-up pending.**
#3 The Parks and Recreation Department Director should modify departmental PPM DOF-005 to include a cursory review by Facility Management of the checks accepted for payment to ensure all the requirements for accepting a check have been met.	**Status - March 2016** **Complete.** The requirements for the acceptance of checks are being met as required. We consider this recommendation fully implemented. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **In Process.** Management's response to the finding indicated that better training on the requirements of the PPM would correct the issue and agreed that Facility Management needs to be more proactive in ensuring that check acceptance requirement are met. Our review found that Managers are preparing the daily reports, which includes providing a copy of all checks received, however we found customer driver's license numbers are not being written on the checks as required in the PPM.

5

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2014 Future implementation. Implementation scheduled for December 2014; follow-up scheduled for January 2015. **Status - June 2014 Follow-up pending.**
#4 The Parks and Recreation Department Director should ensure the Facility Managers are maintaining the Log Sheets as required by PPM PRF-J03. In addition, all Log Sheets should be submitted to the Waterpark Coordinator for monthly review.	**Status - March 2016 Complete.** Controls have been implemented to ensure complimentary pass log sheets are maintained and submitted monthly. However, at one pool we noted that 15 Complementary passes were not accounted for . While not completely satisfied with the implementation actions at the pool, we encourage Parks management to take additional actions to reinforce the importance of controlling and accounting for Complimentary Passes. We believe that his situation does not warrant further follow-up and consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 In Process.** Our review found the log sheets to be maintained and reviewed monthly however, we found little activity to review. We feel that an

6

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	additional review of the log sheets and monthly review of the sheets during the summer months when there is an increase in activity would provide a better indication of the effectiveness of the controls over the log sheets. **Status - September 2014** **Future implementation.** Implementation scheduled for December 2014; follow-up scheduled for January 2015. **Status - June 2014** **Follow-up pending.**
14-08 Department of Economic Sustainability **CIREIS**	
Report issued June 2014 containing 4 recommendations Follow-up scheduled for September 2015	
#1 The DES Director and the CIREIS Section Manager should ensure formal monitoring reviews are conducted in accordance with Departmental monitoring handbooks (NSP, DRI).	**Status - March 2016** **Complete.** DES consolidated its Monitoring Handbook to include both the DRI and NSP Programs. We compared the DES risk analysis for NSP recipient projects to the monitoring reports to confirm that the type and scope of the monitoring was in accordance with the related risk analysis results. The DRI projects completed subsequent to our review have not had a risk analysis completed. However, DES plans to conduct a risk analysis within the next few months and a formal

7

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	monitoring plan will follow. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - September 2014 Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - June 2014 Follow-up pending.**
#2 The DES Director and the CIREIS Section Manager should consider conducting annual monitoring reviews of CDBG sub-recipients; and officially adopting or developing a monitoring handbook to address formal monitoring of CDBG sub-recipients.	**Status - March 2016 Complete.** The DES Monitoring Handbook was updated to include the CDBG Program. Although the risk analysis for the CDBG projects has been completed, a monitoring plan has not yet been prepared. For CDBG 2015 funded projects and future funded projects, a risk analysis will be completed and a monitoring plan will follow. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.**

8

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - March 2015 **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - September 2014** **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - June 2014** **Follow-up pending.**
#3 The CIREIS Manager should ensure sub-recipient project files are documented to substantiate DES compliance with Federal regulations, grant requirements, and sub-recipient adherence to its agreements with the County.	**Status - March 2016** **Complete.** Our review of NSP, DRI, and CDBG funded sub-recipient projects found checklists were created and existing lists revised. We noted the use of file completion checklists in all files reviewed and were able to locate specific documentation that applied. We consider this recommendation fully implemented. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015.

9

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2014 **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - June 2014** **Follow-up pending.**
#4 The CIREIS Manager should ensure procedures to address the CIREIS Section's construction administration and contract oversight are in writing.	**Status - March 2016** **Complete.** A Project Manual has been developed that compiles project administration, oversight tools and information that addresses project monitoring from inception through project completion. CIREIS management indicated they plan to present the manual to staff in October 2015, and anticipates they will continually revise the manual in order to provide up-to-date guidance. We consider this recommendation fully implemented. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015. **Status - September 2014** **Future implementation.** Implementation scheduled for August 2015; follow-up scheduled for September 2015.

10

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - June 2014 **Follow-up pending.**
15-03 Water Utilities **Operations and Maintenance**	
Report issued March 2015 containing 8 recommendations Follow-up scheduled for September 2015	
#1 The WUD Director should implement actions to ensure that consultant pay applications are made in accordance with County requirements. These actions should include the assigning and enforcing of these compliance requirements.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for May 2015; follow-up scheduled for September 2015.
#2 The WUD Director should implement actions to ensure the receipt, use and retention of all contract deliverables.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for May 2015; follow-up scheduled for September 2015.
#3 The WUD Director should implement actions to recover the over payments made to the Consultant for the work not done the tasks for CSA # 6.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for May 2015; follow-up scheduled for September 2015.

11

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#4 The WUD Director should ensure that consultants use sub-consultants listed as their team members to deliver the required services. The use of outside sub-consultants should be preapproved by the WUD Director after being reviewed for validity of substitution against the consultant's original performance capability.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for May 2015; follow-up scheduled for September 2015.
#5 The WUD Director should implement actions to ensure only needed licenses are purchased. This could include requiring a needs assessment of required user licenses be conducted prior to purchasing them.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for May 2015; follow-up scheduled for September 2015.
#6 The WUD Director should implement a system to track the use of all Maximo software assets (licenses) owned and used by Department	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for August 2015; follow-up scheduled for September 2015.
#7 The WUD Assistant Director Operations should implement procedures to ensure that all specialized tools assigned to the Division are controlled and accounted for. This should include an accurate perpetual inventory listing of all these asset items held at each location; a signed acceptance of all inventory by asset custodians; accurate backup documentation for lost, missing and surplus items; and an annual reconciliation of items to inventory listing.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Follow-up pending.**

12

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - March 2015 Follow-up pending. Implementation scheduled for July 2015; follow-up scheduled for September 2015.
#8 The WUD Assistant Director Operations should implement procedures to standardize the reporting requirements for the work processes incorporating the new Maximo system reporting. The procedures should include reporting requirements for all work process components, and the supervisory monitoring and approval of the work process reporting. Field staff should be trained on these reporting requirements.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for July 2015; follow-up scheduled for September 2015.
15-05 Parks and Recreation Special Facilities	
Report issued March 2015 containing 3 recommendations Follow-up scheduled for October 2015 Follow-up scheduled for May 2016	
#1 The Special Facilities Division Director should not allow the use of a sales transaction for processing refunds. All refunds should be processed as refunds, documented according to PPM requirements, and all documentation submitted to the Financial and Support Services (FSS) Division for review.	**Status - March 2016 Follow-up pending.** The recommendation calls for each refund to be processed as a separate transaction. The POS system was modified to automatically produce a signature line when the total transaction is negative. The policy calls for obtaining the signature of the customer and the facility manager on the refund document. However, because of limitations of the POS system, the modification is not applied when the transaction processes a refund combined with the

13

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	purchase of other items. Out of eight refunds reviewed, seven did not include a customer signature and five did not include a manager signature on the receipt. However, a manager did approve all refunded transactions listed on the daily log sheet which is submitted to the Financial and Support Services Division for review. While we acknowledge the limitations of the POS system, current practice is not consistent with department policy. We cannot consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#2 The Special Facilities Division Director should require the Range Servant Report to be printed daily, compared to the Tran Code Activity Report, initialed by the facility Manager or Assistant Manager and included in the backup documentation retained in the facility files.	**Status - March 2016 Complete.** The Range Servant Report is included with the daily paperwork and the Tran Code Activity Report and Range Servant Report show evidence that the reports are being reviewed. We consider this recommendation fully implemented.

14

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 Follow-up pending. **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#3 The POS Systems Administrator should request a modification to the POS systems to require a new user to change their password when signing on to a POS application for the first time and to change their password periodically (at least every 180 calendar days).	**Status - March 2016 Complete.** Modifications were made to the POS system to require new users to change their password when signing on for the first time. Users are also required to change their password every 180 days. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
15-06 Palm Tran Fixed Route	
Report issued March 2015 containing 13 recommendations Follow-up scheduled for October 2015. Second Follow-up scheduled for January 2016	
#1 The Department Director should enforce overtime scheduling requirements based on seniority order.	**Status - March 2016 In process.** Based on Palm Tran's payroll record, we found 9 instances where Palm Tran did not schedule overtime correctly for a supervisor or ATU employees according

15

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	to union contract since August 2015. The Director of Administrative Services indicated the contract violation relating to SEIU overtime has not been entirely eliminated. We cannot consider this recommendation fully implemented. Implementation scheduled for September 2016; follow-up scheduled for October 2016. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#2 The Department Director should ensure the Human Resource Manager accurately and completely maintains grievance logs and related supporting documentation as required by the bargaining agreements.	**Status - March 2016 Complete.** A review of the SEIU grievance log found all applicable columns in the log are completed. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.

16

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#3 The Department Director should establish a code in the payroll system to identify costs associated with scheduling of overtime errors to help monitor and manage cost.	**Status - March 2016 Complete.** Palm Tran developed an overtime error payroll code to help monitor costs associated with scheduling of overtime errors. Our review found Palm Tran is using the overtime error payroll code. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#4 The Department Director should review the current security profiles for all Trapeze users and administrators and ensure that appropriate system access rights are assigned only to employees whose current duties and responsibilities require system access.	**Status - March 2016 Complete.** We compared the names of terminated/reassigned employees to the Trapeze Audit Log. No exceptions were noted. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#7 The Department Director should cease annual payment of maintenance fees for any unused Trapeze's software.	**Status - March 2016 Complete.**

17

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Our review found the annual payment of maintenance fees for the Malteze Pass Medicad module is going to be cancelled and a credit of $10,613 is going to be given to Palm Tran. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.
#8 The Department Director should evaluate potential improvements in Trapeze's processing efficiency that may result from: • Developing and implementing policies and procedures requiring the use of Trapeze and elimination of some manual processing such as the manual Absence Log (Red Book) and Extra-Board Sheets; and • Implementing an automated payroll system that interfaces with the County Payroll System.	**Status - March 2016 Complete.** Palm Tran has evaluated potential improvements and taken action such as working with the Trapeze vendor to implement the Extra-Board process and working with ISS to implement an automated payroll system that interfaces with the County Payroll System. We consider this recommendation fully implemented. **Status - September 2015 Follow-up pending.** **Status - March 2015 Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for October 2015.

18

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#9 The Department Director should implement the Agency-Developed Rostering approach to improve controls over scheduled overtime and to improve the bidding process.	**Status - March 2016** **In process.** This recommendation will be considered during negotiations with the ATU for the next labor agreement which is expected to conclude by October 2016. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for Oct 2015.
#10 The Department Director should discuss with ATU and vendors, such as Hastus and/or Trapeze, about implementing an electronic bidding process to improve efficiencies and reduce errors due to the manual bidding process.	**Status - March 2016** **In process.** This recommendation will be considered during negotiations with the ATU for the next labor agreement expected to conclude by October 2016. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for Sept 2015; follow-up scheduled for Oct 2015.
#11 The Department Director should implement procedures to consistently document and retain reconciliation efforts between data in the Trapeze system to data in Time Server payroll system after each pay period. A supervisor should also review and approve the reconciliations.	**Status - March 2016** **Complete.** Payroll staff are now retaining reconciliation documentation and are using the approval form to document the audit of payroll reconciliation. We consider this recommendation fully implemented.

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for Oct 2015.
#12 The Department Director should ensure that door lock access to the money rooms are changed when employees with access are terminated or reassigned.	**Status - March 2016** **Complete.** Our review found the door lock access to the money room was changed subsequent to the termination of the Fiscal Manager. In addition, an electronic badge access system is planned to replace the current door lock access. We consider this recommendation fully implemented. **Status - September 2015** **Follow-up pending.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for Oct 2015.
#13 The Department Director should direct Palm Tran to periodically verify the accuracy of the camera's Vault Monitoring Log.	**Status - March 2016** **Complete.** Palm Tran provided documentation that the Vault Monitoring Log was periodically reviewed for accuracy. We consider this recommendation fully implemented. **Status - September 2015** **Follow-up pending.**

20

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - March 2015 **Follow-up pending.** Implementation scheduled for September 2015; follow-up scheduled for Oct 2015.
15-07 Office of Equal Opportunity **Fair Housing and Equal Employment**	
Report issued March 2015 containing 10 recommendations Follow-up scheduled for November 2015	
#1 The OEO Director should strengthen management controls (i.e. implementation of tracking tools and reports) to ensure investigations for complaints are completed timely in an effort to obtain HUD maximum payment allowed, and well as to meet EEOC contractual numbers.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#2 The OEO Director should seek assistance from Human Resources to identify reasons for investigative staff turnover; and if necessary, implement corrective actions to retain staff needed to ensure complaints are processed timely in accordance with Federal laws, agreements and contracts, as well as local ordinances.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.

21

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#3 The OEO Director should develop written standard operating procedures for the prompt and appropriate handling of complaints in accordance with Federal and local requirements.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#4 The OEO Director should request an enhanced software system application from Information Systems Services that facilitates accurate data input, capturing and reporting of information, and provides for meaningful reports to better assist OEO management in the monitoring, handling, and processing of complaints and charges of discrimination.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#5 Consideration should be given to revising the County's Equal Employment Ordinance to increase the number of days, allowing for a respondent to provide requested information, to be congruent with industry practice.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation** **Status - March 2015** **Follow-up pending** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.

22

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#6 The OEO Director should implement management controls to ensure respondents of Equal Employment complaints are not automatically granted more than the one extension allowed by the EEOC to provide requested information, which can unnecessarily add to further delays in the resolution of an Equal Employment complaint.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#7 The OEO Director should revise the certified letter sent to respondents of Fair Housing complaints to reflect the number of days specified in the County's Fair Housing Ordinance.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#8 The OEO Director should ensure the parties to an Equal Employment complaint are promptly notified, in writing, when OEO is unable to complete an investigation within 100 days of filing a complaint. In addition, the written notification should include the reason for not completing the investigation within the 100 day timeframe.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#9 The OEO Director should ensure the parties of a Fair Housing complaint are notified within the federal required timeframe when unable to complete an investigation within 100 days after the filing of a complaint.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
#10 Consideration should be given to revising the County's Fair Housing Ordinance to mirror the federal requirement to provide written notification of a delay of an investigation no later than 110 days of filing the complaint.	**Status - March 2016** **In process.** New implementation date requested for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** **Status - March 2015** **Follow-up pending.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
15-11 Criminal Justice Commission **Performance Management**	
Report issued June 2015 containing 6 recommendations Follow-up scheduled for May 2016	
#1 The mission statement should be similar to the purpose statement in the Bylaws.	**Status - March 2016** **Future implementation.** **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#2 Each objective should support or link to an element of the mission statement focusing on key operational responsibilities of the Department.	**Status - March 2016** **Future implementation.**

24

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#3 Each objective should be specific and include performance targets that are realistic and attainable.	**Status - March 2016** **Future implementation.** **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#4 Each performance measure should be reported as often as necessary to support management analysis and evaluation.	**Status - March 2016** **Future implementation.** **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#5 Each performance measure should accurately reflect current operations and describe as accurately as possible what is actually being measured.	**Status - March 2016** **Future implementation.** **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#6 Documentation of performance measures should be verified, maintained, readily-available, and periodically reviewed.	**Status - March 2016** **Future implementation.** **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
15-12 Public Affairs Department **Procurement to Payment**	
Report issued June 2015 containing 4 recommendations Follow-up scheduled for July 2015	
#1 The person doing the physical receiving should be someone other than the person entering the receiver in Advantage.	**Status - March 2016** **Complete.**

25

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	The Division has revised PPM PA-L- 003 Supplies/ Procurement' that now requires that the physical receiving of items are done by an employee other that the Procurement specialist. During our review we examined and tested the processes and related documents and found that as it relates to the implementation of this recommendation the new PPM requirements are implemented and functional. **Status - September 2015 Follow-up pending.** Implementation scheduled for June 2015; follow-up scheduled for July 2015.
#2 The person initiating the purchase orders in the Advantage financial system should be someone other than the person entering the receiver in the Advantage financial system.	**Status - March 2016 Complete.** Due to their limitations of staff resources the Department Director has decided to implement recommendation # 3 in lieu of this recommendation. This action was an considered an acceptable alternative by Audit Management. **Status - September 2015 Follow-up pending.** Implementation scheduled for June 2015; follow-up scheduled for July 2015.
#3 In lieu of the above action the Department Director must institute compensating controls such as periodic reviews of purchase orders for accuracy and appropriateness.	**Status - March 2016 Complete.** The Division has revised PPM 'PA-L- 003

26

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Supplies/Procurement' to institute additional management review controls over the procurement functions. We examined and tested the processes and related documents and found that as it relates to the implementation of this recommendation, the new requirements of the PPM are implemented and functional. **Status - September 2015 Follow-up pending.** Implementation scheduled for June 2015; follow-up scheduled for July 2015.
#4 Update the Departmental PPM to reflect the new changes implemented.	**Status - March 2016 Complete.** The Department has revised PPM 'PA-L- 003 Supplies/Procurement' relating to the procurement functions. During our review we examined and tested the processes and related documents and found that as it relates to the implementation of this recommendation, the new requirements of the PPM are implemented and functional. **Status - September 2015 Follow-up pending.** Implementation scheduled for June 2015; follow-up scheduled for July 2015.
15-13 Public Affairs Department Performance Management	
Report issued June 2015 containing 3 recommendations Follow-up scheduled for May 2016	

27

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
#1 Mission Statement: a. Restate the Department mission statement to more clearly define their purpose and the benefit provided to their customer. b. Develop mission statements for each division or section to replace the current statements of services provided.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#2 Objectives: a. Ensure that each element of the mission statement is supported by at least one objective. Additional objectives may be established as deemed necessary by management. b. Restate each objective so as to meet all the elements of the SMART criteria. c. Evaluate the need to add an objective related to the BCC core process for the Channel 20 division mentioned earlier in the report. d. Ensure that each objective has at least one performance measure. e. Ensure that each objective includes a performance target.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
#3 Performance Measures: a. Ensure that performance measures that are tied to performance objectives are focused specifically on the measurable component of the objective. b. Ensure that those performance measures with a year-over-year focus provide comparative metrics. c. Additional performance measures should be established as deemed necessary by management.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
15-14 Cooperative Extension Service **Procurement to Payment**	
Report issued September 2015 containing 7 recommendations Follow-up scheduled for November 2015	
1. The County Extension Director should initiate actions to ensure: a. the person doing the physical receiving should be someone other than the person entering the receiver in the	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016.

28

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
Advantage financial system. b. the person initiating the purchase orders in the Advantage financial system should be someone other than the person entering the receiver in the Advantage financial system. c. In lieu of the above action the Department Director must institute compensating controls such as periodic reviews of purchase orders for accuracy and appropriateness.	**Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
2. The County Extension Director should require proper support to substantiate all payment requests prior to disbursement of funds.2 The County Extension Director should require proper support to substantiate all payment requests prior to disbursement of funds.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
3. The County Extension Director should ensure the requestor signs the receiving document to confirm the receipt of goods and services. If there is no back-up receiving documents such as a packing slip, a confirmation notice (such as an email) should be obtained from the requestor.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
4. The County Extension Director should ensure that policies and procedures memoranda (PPM) relating to the procurement to payment process are up-to-date. The PPM should include procedures for reviewing, signing, and maintaining back-up receiving documents indicating the item and quantity received.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
5. The County Extension Director should obtain appropriate authorization for the establishment of petty cash with an approved fund amount. If the amount approved is higher than $1000, the expenditures should be controlled through the use of an Imprest checking account per *CW-F-041*.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016.

29

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
6. The County Extension Director should ensure that monthly petty cash reconciliations are being completed, documented, and signed by the custodian's supervisor.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
7. The County Extension Director should ensure that petty cash replenishment requests are submitted on a more regular and frequent basis to avoid petty cash deficits.	**Status - March 2016** **Future implementation.** New implementation date requested for April 2016. **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
15-15 Cooperative Extension Service Performance Management	
Report issued September 2015 containing 6 recommendations Follow-up scheduled for November 2015	
1. The County Extension Director should restate the Department's mission statement to add the element of customer benefit to fully comply with the requirement of the Budget Instruction Manual.	**Status - March 2016** **Follow-up pending.** **Status - September 2015** **Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for November 2015.
2. The County Extension Director should ensure that each element of the mission statement is supported by one or more objectives.	**Status - March 2016** **Follow-up pending.**

30

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 Future implementation. Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
3. The County Extension Director should restate each objective so as to meet all the elements of the SMART criteria.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
4. The County Extension Director should establish efficiency measures for programs as a monitoring function.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
5. The County Extension Director should ensure all measures are calculated correctly (according to objective definitions), and represented accurately in budget document.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
6. The County Extension Director should ensure documentation of performance measure are accurately communicated, maintained, and periodically reviewed.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for October 2015; follow-up scheduled for Nov 2015.
15-17 Office of Small Business Assistance Revenue Management	
Report issued September 2015 containing 2 recommendations Follow-up scheduled for April 2016	

31

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
1. The OSBA Director should work with the Office of Financial Management and Budget to determine the appropriate fees for providing certification, modification, and recertification services.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for March 2016; follow-up scheduled for April 2016.
2. The OSBA Director should ensure the calculations supporting the fee schedule are maintained and reviewed on an annual basis to determine if fee schedule should be adjusted based on either changes in the Consumer Price Index or changes in the OSBA cost structure.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for March 2016; follow-up scheduled for April 2016.
15-18 Office of Small Business Assistance Performance Management	
Report issued September 2015 containing 6 recommendations Follow-up scheduled for October 2016	
1. The OSBA Director should establish objectives that support each element of the mission statement focusing on key operational responsibilities of the Department.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for Oct 2016. **Status - September 2015 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for Oct 2016.
2. The OSBA Director should restate each objective so as to meet all the elements of the SMART criteria.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for Oct 2016. **Status - September 2015 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016.

32

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
3. The OSBA Director should ensure performance measures are relevant to their respective objectives.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016. **Status - September 2015 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016.
4. The OSBA Director should ensure documentation of performance measures are properly maintained and periodically reviewed as management tools.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for Oct 2016. **Status - September 2015 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016.
5. The OSBA Director should ensure each objective has at least one performance measure.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016. **Status - September 2015 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for October 2016.
6. The OSBA Director should ensure performance measures are represented accurately in budget document and are relevant to their respective objectives.	**Status - March 2016 Future implementation.** Implementation scheduled for September 2016; follow-up scheduled for Oct 2016.

33

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
	Status - September 2015 Future implementation. Implementation scheduled for September 2016; follow-up scheduled for Oct 2016.
15-20 Metropolitan Planning Organization Procurement to Payment	
Report issued September 2015 containing 2 recommendations Follow-up scheduled for February 2016	
1. The MPO Executive Director should initiate actions to ensure the person initiating the Purchase orders in the Advantage financial system, be someone other than the person entering the receiver in the Advantage financial system.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for January 2016; follow-up scheduled for February 2016.
2. In lieu of the above action the MPO Executive Director can institute a compensating control such as; conducting a documented periodic (monthly) review of all closed purchase orders for accuracy and appropriateness.	**Status - March 2016 Follow-up pending.** **Status - September 2015 Future implementation.** Implementation scheduled for January 2016; follow-up scheduled for February 2016.
15-21 Metropolitan Planning Organization Performance Management	
Report issued September 2015 containing 2 recommendations Follow-up scheduled for April 2016	
1. Mission Statement: The MPO Executive Director should restate the Department mission statement to more clearly state their customer who derives the benefit.	**Status - March 2016 Future implementation.** **Status - September 2015 Future implementation.** Implementation scheduled for March 2016; follow-up scheduled for April 2016.
2. Objectives: The MPO Executive Director should:	**Status - March 2016 Future implementation.**

34

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
a) ensure that each element of the mission statement is supported by at least one objective. Additional objectives may be established as deemed necessary by management; b) restate each objective so as to meet all the elements of the SMART criteria; c) ensure that each objective has at least one performance measure; d) ensure that each objective includes a performance target.	**Status - September 2015 Future implementation.** Implementation scheduled for March 2016; follow-up scheduled for April 2016.
3. **Performance Measures:** The MPO Executive Director should ensure that performance measures that are tied to performance objectives are focused specifically on the measurable component of the objective. Additional performance measures should be established as deemed necessary by management.	**Status - March 2016 Future implementation.** **Status - September 2015 Future implementation.** Implementation scheduled for March 2016; follow-up scheduled for April 2016.
16-01 Medical Examiner Procurement to Payment	
Report issued December 2015 containing 11 recommendations Follow-up scheduled for January 2016	
1. The District Medical Examiner should initiate corrective actions to ensure the person physically receiving goods at the Administrative Office location is someone other than the person requesting/ initiating purchase orders and entering the receiver document into the Advantage financial system.	**Status - March 2016 Follow-up pending.**
2. The District Medical Examiner should initiate corrective actions to ensure the person physically receiving goods at the Morgue location is someone other than the person requesting the purchase of the same supplies.	**Status - March 2016 Follow-up pending.**
3. In lieu of the above actions, the District Medical Examiner must institute a compensating control such as the director or his designee can conduct a documented periodic (monthly) review of all closed purchase orders for accuracy and appropriateness.	**Status - March 2016 Follow-up pending.**
4. The District Medical Examiner should ensure all purchases are appropriately approved prior to procurement.	**Status - March 2016 Follow-up pending.**
5. The District Medical Examiner should ensure all Delivery Order (DO) purchase orders (including those related to on-going services) are reviewed and approved prior to submission in the Advantage financial system.	**Status - March 2016 Follow-up pending.**
6. The District Medical Examiner should designate a back-up [someone outside the procurement process] for purchasing approvals in his absence.	**Status - March 2016 Follow-up pending.**

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
7. The District Medical Examiner should initiate actions to ensure persons physically receiving goods initial and date the receiving document (i.e. packing slip, PO copy) used to verify shipping contents, as well as notate quantities and items received as evidence of receipt of goods; which are then maintained for future records.	**Status - March 2016 Follow-up pending.**
8. The District Medical Examiner should initiate actions to ensure records of services received, such as body transportation and requested lab work, are maintained to reconcile against vendor invoices to confirm receipt and/or review for reasonableness of billed services.	**Status - March 2016 Follow-up pending.**
9. The District Medical Examiner should initiate actions to ensure internal records of vendor provided services (and not vendor invoices) are utilized to process associated receiver documents (RC) in Advantage.	**Status - March 2016 Follow-up pending.**
10. The District Medical Examiner should initiate actions to ensure documentation of key processes (i.e. approvals) are consistently maintained.	**Status - March 2016 Follow-up pending.**
11. The District Medical Examiner/ Director should ensure that policies and procedures (PPM, SOP) relating to the procurement to payment process are developed and implemented. Written procedure should include, but not be limited to, protocols for: • Reviewing, documenting and maintaining back-up receiving documents, • Obtaining proper procurement approvals, and • Petty cash administration.	**Status - March 2016 Follow-up pending.**
16-03 Fire Rescue **Procurement to Payment**	
Report issued December 2015 containing 1 recommendation Follow-up scheduled for July 2016	
1. The Fire Rescue Administrator should ensure that purchasing documents such as quotes, requisitions and Advantage documents should be completed before goods are received. Also invoices should be processed in a timely matter.	**Status - March 2016 Future implementation.** Implementation scheduled for June 2016; follow-up scheduled for July 2016.
16-04 Information System Services **Application Services**	
Report issued December 2015 containing 3 recommendations Follow-up scheduled for July 2016	

36

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
1. ISS Management should consistently enforce the requirements contained in PPM IS-ADM-004 for all application development projects.	**Status - March 2016** **Future implementation.** Implementation scheduled for June 2016; follow-up scheduled for July 2016.
2. The Application Services Division Director should ensure that change request initiators complete and submit the change request in the appropriate time frame as required by the Change Management Guide.	**Status - March 2016** **Future implementation.** Implementation scheduled for June 2016; follow-up scheduled for July 2016.
3. The Application Services Director should: a) Create formal procedures for maintaining security group access. The procedures should include how to request, modify, and delete group members including the transfer of group members to or from sensitive positions within the department. b) Review the list of users with administrative rights to the groups and delete any users that no longer require these rights. c) Delete the generic user id. d) Establish a schedule for periodic reviews of access rights.	**Status - March 2016** **Future implementation.** Implementation scheduled for June 2016; follow-up scheduled for July 2016
16-06 Information System Services **Procurement to Payment**	
Report issued March 2016 containing 2 recommendations Follow-up scheduled for August 2016	
1. The Department Director should ensure that no one individual initiates purchase orders in the Advantage financial system, physically receives the orders, and enters receivers in the Advantage financial system for the same transactions.	**Status - March 2016** **Future implementation.** Implementation scheduled for July 2016; follow-up scheduled for August 2016.
2. The Department Director should ensure that receipt of all goods and services is appropriately verified and documented prior to entry of receiving documents in Advantage. The verification and documentation should show that the goods or services received are of the quality and quantity ordered, the signature of the individual who received and verified the goods or services, and the date the goods or services were received.	**Status - March 2016** **Future implementation.** Implementation scheduled for July 2016; follow-up scheduled for August 2016.
16-07 OFMB **Municipal Impact Fee Review - Boynton Beach**	
Report issued March 2016 containing 4 recommendations Follow-up scheduled for May 2016	

37

Exhibit 7 - Recommendation Status at March 31, 2016

Audit Report Number, Title and Recommendation(s)	Recommendation Status
1. The Boynton Beach City Manager should initiate actions to ensure that the Impact fees not assessed/collected and due are collected and remitted to the County.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
2. The Boynton Beach City Manager should initiate actions to make refunds to the fee-payers for the over assessed/collected impact fees.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
3. The Boynton Beach City Manager should initiate actions to obtain and retain missing documentation relating to Impact Fee Coordinator approval for the credits taken as identified in the finding and ensure future credits are properly documented.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.
4. The Boynton Beach City Manager should initiate actions to work with the Palm Beach County Impact Fee Manager to determine the fees due on the Vista Bella project permits and obtain payment of the fees due from the developer.	**Status - March 2016** **Future implementation.** Implementation scheduled for April 2016; follow-up scheduled for May 2016.

38